

SAVINGS AND INVESTMENT QUIZ

1. A certificate of deposit must be held for a set amount of time such as six months or a year.

☐ True ☐ False

2. Compound interest refers to money earned from buying a tax-exempt investment.

☐ True ☐ False

3. A share of stock represents ownership in a company.

☐ True ☐ False

4. A mutual fund is an investment issued by a state or local government agency.

☐ True ☐ False

5. Compound interest makes money grow faster.

☐ True ☐ False

6. Compound interest refers to money earned from buying a tax-exempt investment.

☐ True ☐ False

7. A certificate of deposit must be held for a set amount of time such as six months or a year.

☐ True ☐ False

8. A share of stock represents ownership in a company.

☐ True ☐ False

9. Treasury bonds are a safer investment than real estate.

☐ True ☐ False

10. The lowest interest rate is usually earned on a:

- ☐ money-market account.
- ☐ certificate of deposit.
- ☐ passbook account.
- ☐ mutual fund.

11. The total interest earned on \$100 for two years at 10 percent (compounded annually) would be:

- ☐ \$2
- ☐ \$21
- ☐ \$11
- ☐ \$10

12. Based on the rule of 72, money earning 6 percent would take about (fill in the blank) years to double.

- ☐ 6
- ☐ 8
- ☐ 9
- ☐ 12

13. Which of the following increases the value of my money in stocks?

- ☐ Increase in price per share
- ☐ Dividends
- ☐ Stock splits
- ☐ All of the above

14. Owning shares of stock:

- ☐ can increase the value of my money
- ☐ can decrease the value of my money
- ☐ provide income from dividends
- ☐ All of the above

15. An example of a company's debt is a:

- ☐ corporate bond.
- ☐ share of stock.
- ☐ mutual fund.
- ☐ municipal bond.

16. The investment with the most risk would be:

- ☐ a savings account.
- ☐ U.S. Treasury bonds.
- ☐ corporate stocks.
- ☐ corporate bonds.